

CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600
20 June 1966

State Department review completed

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HIGHLIGHTS

Saigon was quiet today with the Buddhist Institute tightly sealed off. Hue is reported returning to normal. US forces participating in Operation FILLMORE in Phu Yen Province have made heavy contact with an enemy force of unknown size.

I. The Military Situation in South Vietnam:
One US Army battalion, participating in Operation FILLMORE in Phu Yen Province, has made heavy contact with an enemy force of unknown size (Para. 1). A 50-man Communist force attacked a US Marine artillery position near Chu Lai yesterday killing two Americans and wounding 19 (Para. 2). A 125-foot steel-hulled trawler was intercepted and destroyed by US patrol boats while apparently unloading supplies for the Viet Cong (Para. 3). Reports of exaggerated US losses are intended to boost morale of Communist combat troops (Para. 4).

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II. Political Developments in South Vietnam:
Saigon was quiet today, with the Buddhist Institute sealed off tightly by police and with no evidence of any significant response to a general strike called by the Buddhists (Para. 1). The government continued its roundup of dissidents in Hue, which was also reported returning to normal (Paras. 2-3). The effects of devaluation measures announced this weekend are not yet clear (Para. 4).

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IV. Other Communist Military Developments:
There is nothing of significance to report.

V. Communist Political Developments: There is nothing of significance to report.

VI. Other Major Developments: Some truck traffic is moving on portions of the Laotian infiltration routes despite worsening monsoon conditions (Paras. 1-4).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Significant contact has been reported by US forces participating in Operation FILLMORE, a rice harvest security operation which began on 24 March near Tuy Hoa in Phu Yen Province. One US Army battalion was reported in heavy contact with an enemy force of unknown size last night (Vietnam time). Initial US losses reported from this encounter are nine killed and 27 wounded. Enemy casualties are unknown. Cumulative friendly casualties for this operation to date are 40 killed and 193 wounded as compared with 358 Viet Cong killed and 69 captured.

2. An estimated 50-man Communist assault group attacked a US Marine artillery position nine miles northwest of Chu Lai in Quang Tin Province yesterday. After a heavy mortar attack, the Viet Cong rushed the barbed wire around the position. They were repulsed after a three-hour fight. US casualties were two killed and 19 wounded, with 13 Viet Cong reported killed.

Communist Arms Trawler Intercepted and Destroyed

3. Yesterday, US Coast Guard cutters intercepted a 125-foot steel-hulled trawler off the coast of Vinh Binh Province in the Mekong Delta area of South Vietnam. The trawler had two sampans alongside and was apparently unloading supplies. When challenged by the US ships, the trawler opened fire and an exchange of heavy machine gun fire took place. US jet fighter-bombers and rocket-firing helicopters were called in to suppress Viet Cong machine gun and mortar fire from the shore. The enemy ship was run aground and set afire. Two battalions of South Vietnamese troops were helilifted onto the beach to drive out the Viet Cong while salvage operations began. Initial reports indicate large amounts of weapons and ammunition were captured. This is the second ship to be intercepted and destroyed by Allied coastal patrols in the last five weeks.

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Captured Enemy Propaganda Document Exaggerates Allied Losses

4. A Viet Cong document, captured in mid-April in northern Binh Dinh Province, contained exaggerated figures of US and South Vietnamese casualties from 28 January to 25 February 1966. Also included was a list of Viet Cong weaknesses including lack of revolutionary spirit, prevailing "rightism," fear of the enemy, lack of combat experience, and lack of adequate fortifications. Exaggeration of success are common in Communist public announcements, but it is noteworthy that such information is being distributed to combat troops. The inclusion of the apparently valid Viet Cong weaknesses with the extravagant claims of success suggest that this was primarily a propaganda document to show how successful the Viet Cong could be if certain weaknesses were overcome.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Saigon was quiet today, and there was no evidence of any compliance with a general strike called for by the Buddhist Institute. Police maintained their cordone around the Institute itself, demanding that monks turn over three persons suspected of killing a policeman on 17 June. Police, however, did allow one boy to leave the Institute to be examined at a hospital after monks claimed that he had contracted cholera. Hospital tests have not yet been completed. The Institute reportedly has cabled International Red Cross headquarters in Geneva for assistance in preventing a cholera epidemic within the Institute compound.

Hue

2. According to a US Embassy report, Hue was quiet, calm, and returning to normal today. Many businesses have resumed activity, and government announcements have threatened that those which remain closed in accordance with the militants' call for "noncooperation" will lose their licenses. In addition, soldiers and civil servants will be considered deserters if they do not report for duty as usual.

3. The government's roundup of dissidents also continues in Hue. [REDACTED]

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[REDACTED] two major student "struggle" leaders in the city were arrested today. General Ton That Dinh, former I Corps commander until the government's move on Da Nang on 15 May, was sent back to Saigon yesterday, as was the recent commander of the First Division, General Nhuan. The US Consul in Hue has reported that General Thi was rumored to have been sent to Saigon today. Press reports stating that Tri Quang was placed under house arrest today have not yet been confirmed by official sources. [REDACTED]

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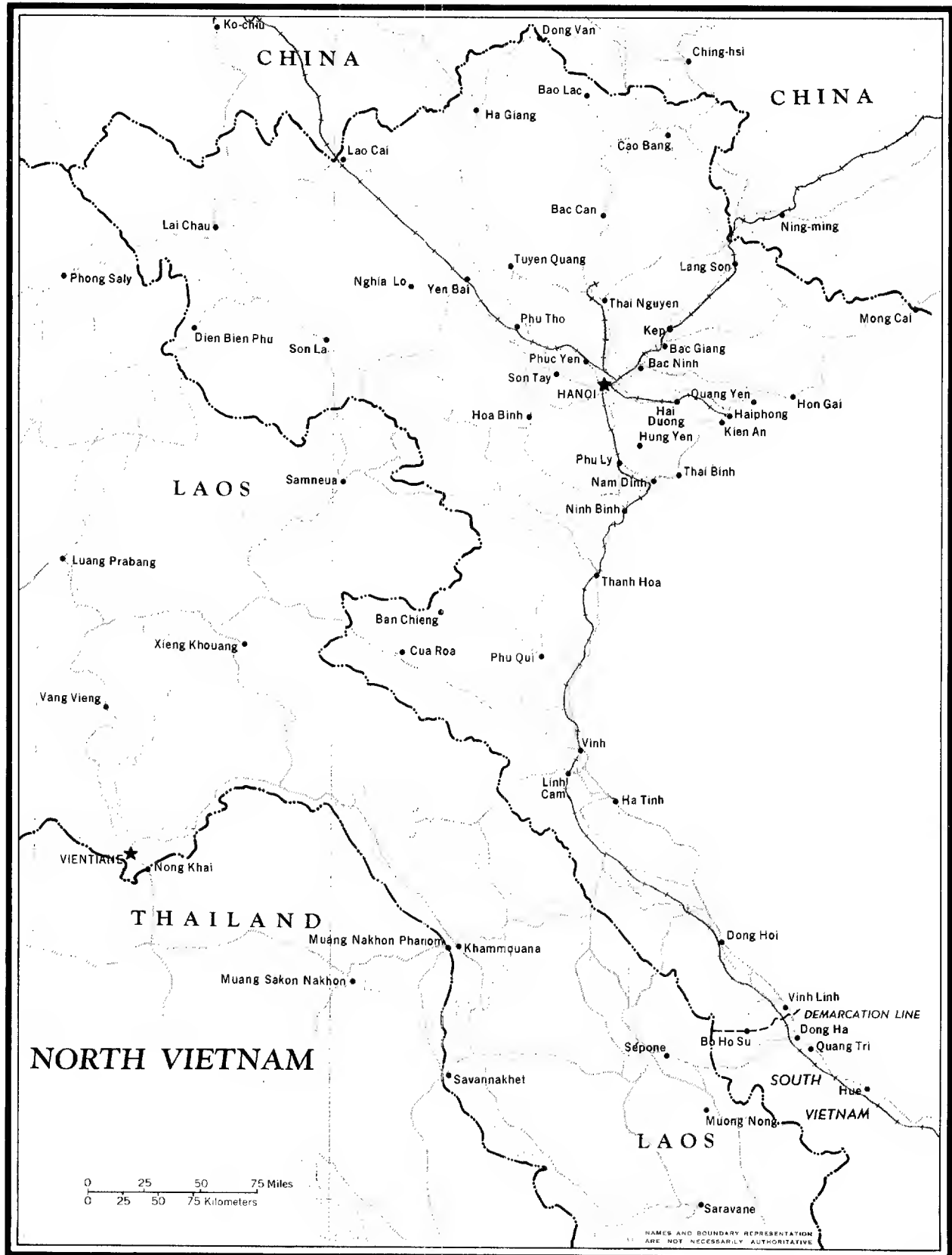
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Effects of Devaluation Not Yet Clear

4. Since Economy Minister Thanh's devaluation announcement on 18 June, the piaster prices of gold and dollars have fallen from their highs of last week, but are still considerably above the new official rates. Retail prices, including that of rice, have risen with the general level now about six percent higher than a week ago. The import trade reportedly is at a near standstill, with merchants apparently having adopted a "wait and see" attitude pending clarification of official prices and profit margins legally allowable under the new exchange rate.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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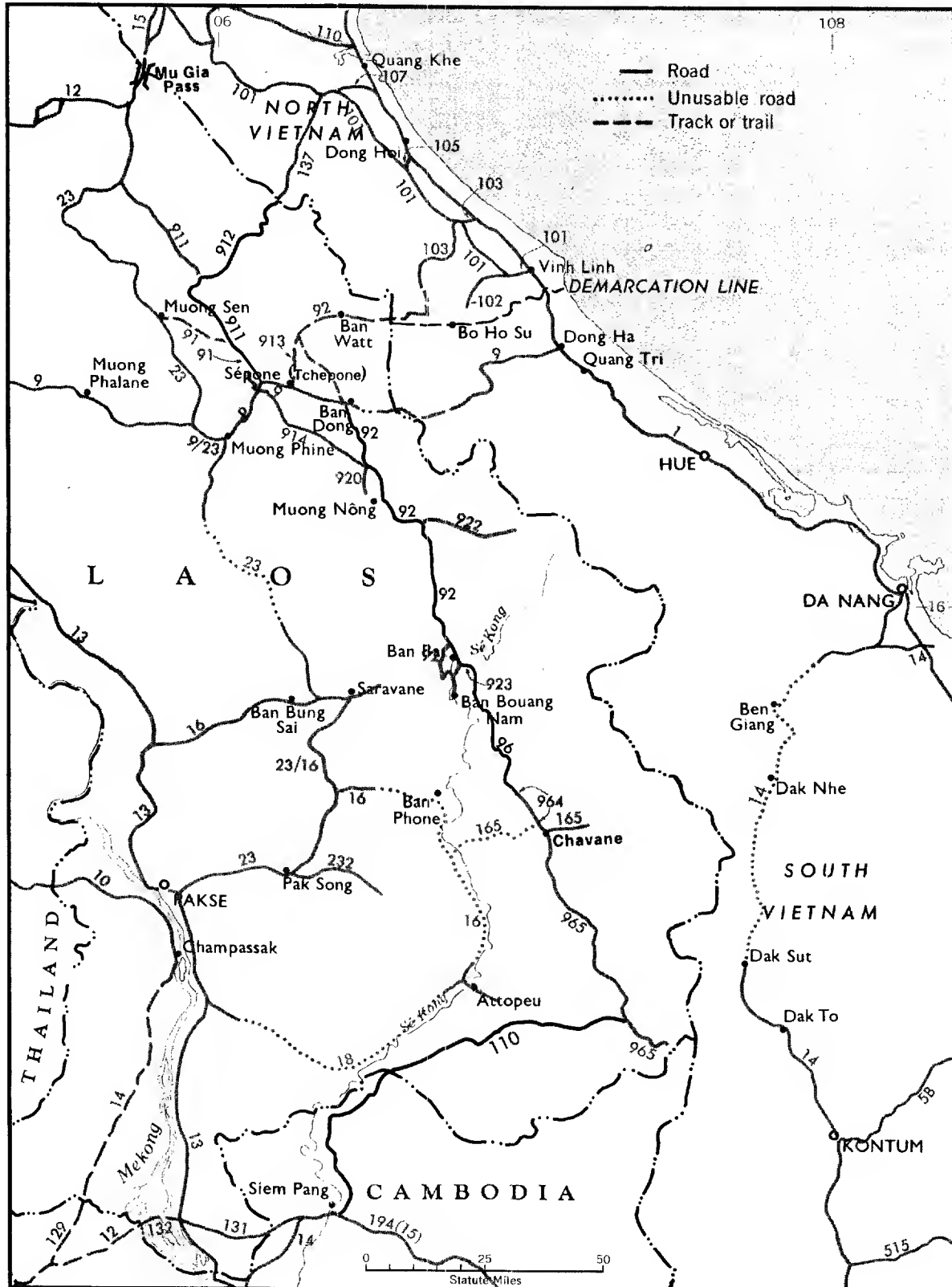
V. COMMUNIST POLITICAL DEVELOPMENTS

1. There is nothing of significance to report.

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SOUTHEASTERN LAOS



VI. OTHER MAJOR DEVELOPMENTS

1. The North Vietnamese are continuing their efforts to maintain a serviceable road network in the Laotian infiltration corridor during worsening monsoon conditions. Trained observers report that moderate truck traffic is moving on portions of the major routes toward South Vietnam, although coverage was too sketchy to allow an estimate of the level of traffic or to determine how much of the network is being used.

2. Increased construction activity along Lao-tian Route 912 suggests that it is becoming a major infiltration artery. Photography of late May reveals extensive corduroying, truck parks, and anti-aircraft emplacements along the route just inside Laos.

3. Farther south, adverse weather and air strikes in early June have rendered segments of Routes 92 and 96 north of Chavane unserviceable.

portions of Route 110 are unusable, although ground observers report some truck traffic earlier on parts of it.

4. Along other routes, fragmentary roadwatch team reporting indicates some truck movement in early June along Route 12 south of Mu Gia, and on Route 92 north of Chavane. The coverage was too intermittent, however, to permit traffic estimates. There were no reports concerning the improved section of Route 912 or Route 911 south of its intersection with Route 912.

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